

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 08/15)

Fiscal Year 2016-2017	Business Unit 4300	Department Developmental Services	Priority No. FL-01
Budget Request Name 4300-300-BCP-BR-2016-A1		Program 4145046 Developmental Center Facilities	Subprogram
Budget Request Description Sonoma Developmental Center Site Assessment			

BUDGET REQUEST SUMMARY

The Department of Developmental Services (DDS or Department) requests \$2.24 million General Fund to contract with the Department of General Services (DGS) for an assessment of the Sonoma Developmental Center property, buildings, and clinical records.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. Date:		
If proposal affects another department, does other department concur with proposal? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Prepared By Jennifer Harris	Date 3-28-14	Reviewed By Jean Johnson	Date 3-28-16
Department Director Michael Wilkening	Date 3/28/16	Agency Secretary Diana S. Dooley	Date 3-29-16

Department of Finance Use Only

Additional Review: <input type="checkbox"/> Capital Outlay <input type="checkbox"/> ITCU <input type="checkbox"/> FSCU <input type="checkbox"/> OSAE <input type="checkbox"/> CALSTARS <input type="checkbox"/> Dept. of Technology	
BCP Type: <input type="checkbox"/> Policy <input checked="" type="checkbox"/> Workload Budget per Government Code 13308.05	
PPBA Carla Castañeda	Date submitted to the Legislature 4-1-16

BCP Fiscal Detail Sheet

BCP Title: Sonoma Developmental Center Site Assessment

DP Name: 4300-300-BCP-DP-2016-A1

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5340 - Consulting and Professional Services - External	0	2,240	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$2,240	\$0	\$0	\$0	\$0
Total Budget Request	\$0	\$2,240	\$0	\$0	\$0	\$0

Fund Summary

Fund Source - State Operations						
0001 - General Fund	0	2,240	0	0	0	0
Total State Operations Expenditures	\$0	\$2,240	\$0	\$0	\$0	\$0
Total All Funds	\$0	\$2,240	\$0	\$0	\$0	\$0

Program Summary

Program Funding						
4145046 - Developmental Centers and Community Facility Services	0	2,240	0	0	0	0
Total All Programs	\$0	\$2,240	\$0	\$0	\$0	\$0

Analysis of Problem

A. Budget Request Summary

DDS requests \$2,240,000 General Fund for a consultant services contract through DGS to complete the second and third phases of an Environmental Site Assessment and Architectural Historical Evaluation of the Sonoma Developmental Center (Sonoma). Funds are necessary to comply with existing State requirements to document the current condition of the property, and identify potential issues and limitations on the property. The Department proposes to utilize existing 2015-16 funds of \$190,000 to complete first phase initial site assessments. The second phase totaling \$1,760,000 includes Architectural, Civil Engineering, Historical, and Environmental Studies, as well as a Market and Economic Analysis, Traffic Analysis, Structural Engineering Assessment, and Cost Estimating tasks. The third phase includes Master Planning at an approximate cost of \$480,000. The total estimated cost for all required assessments and planning is \$2,430,000.

B. Background/History

Sonoma is the oldest developmental center in California still operated by DDS, and was established in 1891 specifically for serving the needs of individuals with developmental disabilities. The core campus at Sonoma comprises 400 acres of a 909 total-acre property. Much of the property is timberland area which serves as a watershed for the two collection lakes that provide water to the campus. The property includes 750 acres of open space and natural resources on Sonoma Mountain and in Sonoma Valley. A number of animal species are present in the natural environment of the site, which also supports protected species such as the Northern Spotted Owl, California freshwater shrimp, Chinook salmon, and steelhead trout. The acreage includes redwood forests, oak woodlands, grasslands, savannahs, riparian forests, streams, lakes and wetlands. It is surrounded by state and county parks and other protected land, and is connected to a regional trail system. The core campus includes 131 buildings with approximately 1,475,000 square feet of space. The 24-hour living areas comprise 850,000 square feet, and the balance is used for day-use areas, support areas, and leased space.

In response to Senate Bill 82, Chapter 23, Statutes of 2015, which required the Department to submit a plan or plans to close one or more developmental centers (DCs) to the Legislature by October 1, 2015, the Department submitted a plan to close Sonoma by December 31, 2018. The enacted budget for 2015-16 includes funding for community development and other closure activities; however, funding has not been provided for the environmental and historic assessments.

Because of the unique nature of Sonoma, its size, environmental resources, historic features, and location, there is intense community interest in the future of the property. Before the Department released its official closure plan, local governments and agencies, and civic and business organizations began discussing plans for possession and use of the property. All have requested that the State actively collaborate with local interests in making decisions regarding the future of the property. Various stakeholders have participated in open hearings and expressed their recommendations for re-use of the property. Key stakeholders formed the Sonoma Developmental Center Coalition, *Transform Sonoma*, to make recommendations regarding plans for future use of the site. Stakeholder recommendations range from health facilities and housing, to community services and recreation.

Typically, upon the decision to close a State facility, and after the property has been declared surplus, DGS would begin a due diligence process in preparation for determining the future utilization and best disposition of the property, including a site assessment process. This assessment must be completed before the property can be offered for sale or transfer. DGS conducts a full site assessment to identify and determine the market and economic issues, rough infrastructure capacity, potential hazardous materials issues that will need to be investigated further as part of the decommissioning of the property, building and site improvement condition, biological and geological resources, physical features, existing constraints and foreseeable issues, traffic and zoning issues, cultural resources, historic preservation and other issues. All of these assessments are necessary to determine the value of the property, restrictions and limitations on reuse, and information that informs decision-making for potential owners or investors.

Additionally, prior to disposition or transfer of state property, the Public Resources Code (PRC) §5024 and §5024.5, requires state agencies to inventory all structures over 50 years of age which may be

Analysis of Problem

eligible for inclusion in the National Register of Historic Places or are registered or eligible for registration as a state historic landmark. DGS and DDS cannot alter original or significant historical features or fabric, or transfer, relocate, or demolish a historical resource without notifying the State Historic Preservation Officer (SHPO) early in the planning process. State agencies must assure that any structure which might qualify for listing is not inadvertently transferred or unnecessarily altered until such time as the structures are evaluated for possible inclusion, registration, or designation.

Requirements governing inclusion or designation in these registries specify detailed assessments that identify the history of each building, its architectural history, architectural significance, features, utilization, and historical context. These assessments are conducted by architectural historians and have typically been done at the time of closure. The historical assessment for Lanterman DC, which closed in 2014, was completed by consultants on February 29, 2016.

In previous DC closures, property had been declared surplus early in the closure process, with the required assessments completed both during the closure process and after the facility closed. Because the Sonoma property has not been declared surplus, the cost of the assessments will be borne by DDS. The final completion date for the entire project may extend beyond the December 2018 Sonoma closure date; therefore, DGS will share products as they are completed, rather than at the end of the entire project.

C. State Level Considerations

This proposal is necessitated by the closure of Sonoma, as recommended by the Task Force convened by the Secretary of the California Health and Human Services Agency to determine the long term future of the State Developmental Centers system. Those recommendations were formalized in *The Plan for the Future of Developmental Centers in California*, presented to the Legislature in January 2014.

In addition to consistency with legislation to close Sonoma, and with the 2015-16 enacted State Budget, this proposal complies with requirements for site assessments and market analysis prior to the transfer or disposition of state property and with requirements of PRC §5024 and §5024.5 for evaluation of state historic structures for determination of the need for state and national historic preservation. The proposal supports and is consistent with the Sonoma DC closure plan.

The proposal is supported by DGS, which will complete Phases 2 and 3, under contract with DDS. DGS will also oversee and complete Phase I in order to ensure that the historical assessment meets all requirements, so that the three phases will be integrated and internally consistent.

D. Justification

The requested funding is necessary to complete assessments for the Sonoma property to inform discussions regarding the future use of the property following closure. These assessments are required in the closure of all state facilities and have been completed for each DC that has closed. The assessments are complex and specialized, requiring professional and technical expertise that is not available at DDS. The work must be completed under a contract with DGS utilizing an architectural and engineering firm with experience and expertise in disciplines related to land use planning and economic analysis, including, but not limited to, building and landscape architecture, land planning, engineering, biological and cultural resource assessment, market analysis and economics, land surveying, project management, and cost-estimating.

It is necessary that the assessment process be funded in 2016-17 so that the work can begin immediately for products to inform future use discussions. In lessons learned from the Lanterman DC closure in 2014, it was problematic that the Historical Resources Assessment required by SHPO was not begun while the facility was still open and operational. After buildings were closed, records disseminated to archives, and DC personnel were unavailable, there were insufficient materials or resources available to provide the critical historical detail needed for the required forms, reports, and

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assessments. For example, the reports require documentation as to how buildings were utilized and modified over time. Absent detailed work orders and historical records, the best resource is employees who worked in the buildings over different time periods, and are aware of where references and resources may be accessed. As the facility downsized and later closed, the ability to locate this information was impaired. Further, by not coordinating the DGS and SHPO historical assessments under the same contract and in the same timeframe, opportunities were missed to integrate and organize the investigations and findings. Utilizing DGS consultants on retainer who are familiar with the requirements for completing a SHPO evaluation reduces the overall cost of the evaluation and the time necessary to complete all assessments.

Until assessments and evaluations are complete and the property use is resolved, DDS estimates the costs could be \$1.5 to \$2.5 million per year to secure, patrol, monitor, and maintain the buildings and land. Ongoing, the State portion of these costs will depend on future reuse of the property.

E. Outcomes and Accountability

DDS, DGS, and project contractors will meet regularly throughout the duration of the project to discuss progress and review work products.

F. Analysis of All Feasible Alternatives

1. Fund \$2,240,000 General Fund in 2016-17 to contract with DGS to complete the Phase 2 and 3 Environmental Site Assessment, Architectural Historical Evaluation, and other technical studies of the Sonoma DC property.

Pros:

- Meets DGS requirements for site assessment required for disposition of the property;
- Meets SHPO requirements for Historical Architectural Evaluation;
- Provides essential information as quickly as possible that is necessary for decision-making regarding future reuse of the Sonoma DC property;
- Allows DDS to engage stakeholders in dialogue regarding the future of the property, consistent with the Sonoma Closure Plan.

Cons:

- Requires a General Fund augmentation;
- Results in increased workload for DDS and DGS.

2. Fund Phase 2 of the Project at a cost of \$1,760,000 General Fund in 2016-17, and fund Phase 3 at a cost of \$480,000 General Fund in 2017-18.

Pros:

- Reduces the budget year General Fund cost by spreading the costs over two years;

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Cons:

- Extends the time needed to complete the required assessments;
 - Eliminates the ability to develop a master contract for the entire project with the same consultants throughout the project;
 - Results in discontinuity and inconsistency between phases.
3. Delay the Project described in Alternative 1 until after Sonoma DC is closed and declared surplus, so that DGS will be able to fund the project from the Property Acquisition Law Money Account.

Pros:

- Results in no General Fund costs in the budget year.

Cons:

- Is inconsistent with the Sonoma Closure Plan;
- Delays the engagement of stakeholders;
- Prolongs the warm shut-down of the facility until the assessment project is completed, resulting in costs of \$1.5 to \$2.5 million per year.

G. Implementation Plan

Studies to be initiated in 2015-16 would begin as soon as possible by engaging existing DGS contractors on retainer. Upon approval of funding in the 2016-17 State Budget, DGS is prepared to begin advertising for consultants and developing a master contract that would encompass the entire project, using one team that would be consistent throughout the project for continuity and consistency. Consultants would be hired and ready to begin work in January, 2017.

H. Supplemental Information

None.

I. Recommendation

Approve the proposal as requested to fund \$2,240,000 General Fund in 2016-17 to contract with DGS to complete an assessment of the Sonoma DC property. Funding the project in 2016-17 will allow the project to be completed at the earliest possible date and in the most cost-effective and efficient manner.